

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
	)	
July 1, 2008	)	WCB/Pricing File No. 08-14
Annual Access Charge Tariff Filings	)	
	)	

**ORDER**

**Adopted: June 30, 2008**

**Released: June 30, 2008**

By the Chief, Pricing Policy Division, Wireline Competition Bureau:

**I. INTRODUCTION**

1. Price cap local exchange carriers (LECs) and certain LECs subject to rate-of-return regulation are required by sections 69.3(h) and 69.3(f)(1) of the Commission's rules to file revisions to their interstate tariffs to become effective July 1, 2008.<sup>1</sup> These LECs filed their original tariff transmittals on either June 16, 2008, or June 24, 2008, and subsequent revisions as reflected in the Appendix.

2. In this order, we suspend for one day and set for investigation the access rates (and associated terms and conditions) included in the Common Line, Traffic-sensitive and Trunking baskets filed in the 2008 annual access tariff of Puerto Rico Telephone Company (Puerto Rico) (Transmittal No. 67, Tariff FCC No. 1), and the access rates (and associated terms and conditions) included in the Traffic-sensitive and Trunking baskets filed in the annual access tariffs of Consolidated Communications Companies (Transmittal No. 18, Tariff FCC No. 1) and Illinois Consolidated (Transmittal No. 137, Tariff FCC No. 2) (hereinafter jointly referred to as Consolidated).

**II. DISCUSSION**

3. The Wireline Competition Bureau (Bureau) granted Consolidated and Puerto Rico permission to convert from rate-of-return regulation to price cap regulation on July 1, 2008, subject to certain conditions.<sup>2</sup> To achieve this transition, Consolidated and Puerto Rico had to file their own Common Line access rates, establish initial price cap indexes, actual price indexes, and service band indexes, and make other tariff changes to reflect requirements imposed on price cap LECs. As part of that authorization, the Bureau required the carriers to move marketing expenses from the Traffic-sensitive and Trunking Baskets to the Common Line Basket.<sup>3</sup> Furthermore, sections 69.106 and 69.111

<sup>1</sup> 47 C.F.R. §§ 69.3(h) and 69.3(f)(1).

<sup>2</sup> *Petition of Puerto Rico Telephone Company, Inc., for Election of Price Cap Regulation and Limited Waiver of Pricing and Universal Service Rules, Consolidated Communications Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief*, WC Docket Nos. 07-292 and 07-291, DA 08-1026, Order (Wireline Comp. Bur. rel. May 6, 2008).

<sup>3</sup> *Id.* at paras. 17, 20.

of the Commission's rules require a degree of unbundling for price cap LECs that is not required of rate-of-return LECs. A review of the initial tariff filings of the two carriers reveals that Puerto Rico did not properly move marketing expenses from the Traffic-sensitive and Trunking Baskets to the Common Line Basket.<sup>4</sup> Furthermore, neither Consolidated nor Puerto Rico established the unbundled rate elements and associated rates, terms, and conditions required of price cap LECs by section 69.106 and 69.111.

4. On our own motion, we conclude that substantial questions of lawfulness exist that warrant further investigation of certain of the 2008 annual access tariffs. We accordingly suspend the Common Line, Traffic-sensitive, and Trunking Basket access rates and associated terms and conditions contained in the 2008 annual access tariffs of Puerto Rico for one day. We also suspend the Traffic-sensitive and Trunking Basket access rates and associated terms and conditions contained in the 2008 annual access tariffs of Consolidated for one day. The specific issues that will be the subject of the investigation will be identified in an upcoming designation order and may include, but not be limited to, the issues identified in paragraph 3, above. We may also, by order, identify discrete issues that do not warrant further investigation.

### III. *EX PARTE* REQUIREMENTS

5. This investigation is a permit-but-disclose proceeding and subject to the requirements of section 1.1206(b) of the rules.<sup>5</sup> Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain a summary of the substance of the presentation and not merely a listing of the subjects discussed. More than a one-sentence or two-sentence description of the views and arguments presented is generally required.<sup>6</sup>

### IV. ORDERING CLAUSES

6. ACCORDINGLY, IT IS ORDERED that, pursuant to section 204(a) of the Communications Act of 1934, as amended, 47 U.S.C. § 204(a), and through the authority delegated pursuant to sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, the Common Line, Traffic-sensitive, and Trunking Basket access rates, terms, and conditions contained in the 2008 annual access tariffs of Puerto Rico and the Traffic-sensitive and Trunking Basket access rates, terms and conditions contained in the 2008 annual access tariffs of Consolidated are SUSPENDED for one day and an investigation IS INSTITUTED.

7. IT IS FURTHER ORDERED that Consolidated and Puerto Rico MAY FILE a supplement advancing the currently scheduled effective date to June 30, 2008, and then SUSPEND its tariff revision for one day, until July 1, 2008. For this purpose, we waive sections 61.58 and 61.59 of the Commission's rules, 47 C.F.R. §§ 61.58, 61.59.

8. IT IS FURTHER ORDERED that, pursuant to sections 4(i) and 204(a) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i) and 204(a), and pursuant to the authority delegated by sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, Consolidated and Puerto Rico SHALL KEEP ACCURATE ACCOUNT of all amounts received that are

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<sup>4</sup> Consolidated initially failed to move its marketing expenses from the Traffic-sensitive and Trunking Baskets to the Common-line basket, but resolved this issue in a subsequent filing.

<sup>5</sup> 47 C.F.R. § 1.1206(b).

<sup>6</sup> 47 C.F.R. § 1.1206(b)(2).

associated with the rates that are subject to this investigation.

9. IT IS FURTHER ORDERED that Consolidated and Puerto Rico SHALL FILE a supplement within five business days from the release date of this order reflecting the suspension. Carriers should cite the “DA” number on the instant order as the authority for the filings.

FEDERAL COMMUNICATIONS COMMISSION

Albert M. Lewis  
Chief, Pricing Policy Division  
Wireline Competition Bureau

## APPENDIX

## 2008 Access Filings Made By ILECs

**Issued: June 16, 2008****Price Cap ILECs**

Ameritech Operating Companies	Transmittal No. 1681	Tariff FCC No. 2
BellSouth Telecommunications, Inc.	Transmittal No. 1142	Tariff FCC No. 1
CenturyTel Operating Companies	Transmittal No. 62	Tariff FCC Nos 2&3 <sup>1</sup>
Cincinnati Bell Telephone	Transmittal No. 831	Tariff FCC No. 35
Citizens Telecommunications Companies	Transmittal No. 179	Tariff FCC No. 1
Consolidated Communications Companies	Transmittal No. 18	Tariff FCC No. 1
Embarq Local Telephone Companies	Transmittal No. 52	Tariff FCC No. 1
FairPoint Communications	Transmittal No. 4	Tariff FCC No. 1
Frontier Communications of Minnesota and Frontier Communications of Iowa	Transmittal No. 85	Tariff FCC No. 1
Frontier Telephone of Rochester, Inc.	Transmittal No. 108	Tariff FCC No. 1
Hawaii Telecom Inc.	TRP Filing	
Illinois Consolidated	Transmittal No. 137	Tariff FCC No. 2
Iowa Telecommunications Services, Inc.	Transmittal No. 71	Tariff FCC No. 1
Micronesian Telecommunications Corp.	Transmittal No. 8	Tariff FCC No. 1
Nevada Bell Telephone Company	Transmittal No. 185	Tariff FCC No. 1
Pacific Bell Telephone Company	Transmittal No. 396	Tariff FCC No. 1
Puerto Rico Telephone Company	Transmittal No. 67	Tariff FCC No. 1
Qwest Corporation	Transmittal No. 367	Tariff FCC No. 1
Southern New England Telephone Co.	Transmittal No. 972	Tariff FCC No. 39
Southwestern Bell Telephone Company	Transmittal No. 3263	Tariff FCC No. 73
Valor Telecommunications Enterprises	Transmittal No. 69	Tariff FCC No. 1
Verizon Telephone Companies	Transmittal No. 925	Tariff FCC Nos 1, 11, 14, 16
Windstream Communications	Transmittal No. 14	Tariff FCC No. 1, 3

**Issued: June 16, 2008****Non-Price Cap ILECs**

Century Telephone Company	Transmittal No. 62	Tariff FCC No. 1 <sup>2</sup>
Chillicothe Telephone Company	Transmittal No. 89	Tariff FCC No. 1
City of Brookings	Transmittal No. 17	Tariff FCC No. 2 <sup>3</sup>

<sup>1</sup> Century's Tariff FCC Nos. 2 & 3 are subject to price cap regulation.

<sup>2</sup> Century's Tariff FCC No.1 is subject to rate-of-return regulation.

<sup>3</sup> City of Brookings is a 61.39 carrier that is exiting NECA's tariff.

**APPENDIX A-2008 ACCESS FILINGS MADE BY ILECS (CONT'D)****Issued: June 16, 2008****Non-Price Cap ILECs**

Dunkirk and Fredonia Telephone Co.	Transmittal No. 34	Tariff FCC No. 2
GVNW Inc./ Management	Transmittal No. 209	Tariff FCC No. 2 <sup>4</sup>
John Staurulakis, Inc. (JSI)	Transmittal No. 138	Tariff FCC No. 1
Madison River	Transmittal No. 26	Tariff FCC No. 1
Minnesota Equal Access	TRP Filing	
National Exchange Carrier Association	Transmittal No. 1214	Tariff FCC No. 5
SureWest Telephone Company	Transmittal No. 30	Tariff FCC No. 1
TUECA	Transmittal No. 194	Tariff FCC No. 2

**Issued June 24, 2008**

ACS of Anchorage	Transmittal No. 40	Tariff FCC No. 1
Iowa Network	Transmittal No. 26	Tariff FCC No. 1
KIN Network	Letter Filing	
John Staurulakis, Inc. (JSI)	Transmittal No. 139	Tariff FCC No. 1
South Dakota Network	Transmittal No. 5	Tariff FCC No. 1
TUECA	Transmittal No. 195	Tariff FCC No. 2
Virgin Islands Telephone Corp.	Transmittal No. 57	Tariff FCC No. 1

**Issued June 30, 2008**

Windstream Communications	Transmittal No. 15	Tariff FCC No. 1
Puerto Rico Telephone Company	Transmittal No. 68	Tariff FCC No. 1
Consolidated Communications Company	Transmittal No. 19	Tariff FCC No. 1
Illinois Consolidated	Transmittal No. 138	Tariff FCC No. 2

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<sup>4</sup> Revises some 61.39 carrier rates and removes LaHarpe's access rates.